

2 TO CT

26
4-25-02
MA

ORIGINAL

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

**JODY K. BUTTS, individually and
as parent and natural guardian for
RASHUN SUNCAR and LEQUINN BUTTS,
Minors, and MARK A. MARTIN, JR.,
individually,**

Plaintiffs

v.

**CITY OF YORK, OFFICER CURTIS D.
BEHM, OFFICER NICHOLAS W. FIGGE,
and POLICE COMMISSIONER HERBERT
GROCIK,**

Defendants

JUDGE RAMBO NO.: 1:00-CV-1893 JURY TRIAL DEMANDED FILED HARRISBURG APR 25 2002 MARY E. D'ANDREA, CLERK <hr/> DEPUTY CLERK
--

**DEFENDANT CITY OF YORK'S
MOTION FOR STAY**

1. Following the liquidation Order of Reliance Insurance Company, claims against the City of York were transferred to the Pennsylvania Property and Casualty Insurance Guaranty Association.
2. The Pennsylvania Property and Casualty Insurance Guaranty Association has notified the City of York that it will not defend or indemnify the City because it believes the City has a net worth in excess of fifty million dollars (\$50,000,000.00). See letter dated February 21, 2002, marked as Exhibit A and made a part hereof.

CERTIFICATE OF SERVICE

I, Donald B. Hoyt, Esquire, Assistant Solicitor for the City of York, do hereby certify that on this _____ day of April, 2002, I served a true and correct copy of he foregoing DEFENDANT CITY OF YORK'S MOTION FOR STAY via U.S. First Class mail, postage prepaid, addressed as follows:

Peter B. Foster, Esquire
Pinskey and Foster
121 South Street
Harrisburg, PA 17101

Frank J. Lavery, Jr., Esquire
LAVERY & ASSOCIATES, P.C.
The Kunkel Building
301 Market Street, Suite 800
P.O. Box 1245
Harrisburg, PA 17108-1245



Donald B. Hoyt, Esquire
Assistant Solicitor

PENNSYLVANIA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION

EXECUTIVE DIRECTOR
HOMER A. RHULE

ONE PENN CENTER at 1850 SUBURBAN STATION
1617 J.F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA 19103

TEL: (215) 568-1007 • FAX: (215) 568-0736

DIRECTORS

JAMES A. O'BRIEN, Chairman
State Farm Mutual Automobile Insurance Co.

ED K. OTA, JR., Vice Chairman
ACE American Insurance Company

JONATHAN G. ALBERSTADT, Secretary
Erie Insurance Exchange

THOMAS D. NYKES, Treasurer
Harleyville Mutual Insurance Company

JOHN A. BOKIAR
Cumberland Mutual Fire Insurance Company

TIMOTHY J. ROSE
Liberty Mutual Insurance Company

GREG STERN
PMA Insurance Group

February 21, 2002

City of York
50 West King Street
P.O. Box 509
York, PA 17401

Attention: Nancy A. Green, PHR
Human Resources Specialist

Re: RELIANCE INSURANCE COMPANY IN LIQUIDATION

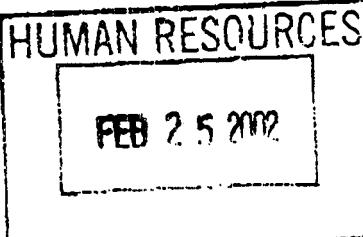
Insured: City of York
Claimants: Multiple

Dear Ms. Green:

As you know, our office is handling multiple files on behalf of the City of York due to the insolvency of the Reliance Insurance Company. That carrier was placed into liquidation on October 3, 2001. The Pennsylvania Property and Casualty Insurance Guaranty Association must handle the claims in accordance with 40 P.S. § 991.1801 et. seq.

Under 40 P.S. § 991.1816 "(b), the Association shall have the right to recover from the following person the amount of any "covered" claim paid on behalf of such person pursuant to this Article:

(1) "Any insured whose net worth on December 31 of the year preceding the date the insurer becomes an insolvent insurer exceeds fifty million dollars, (\$50,000,000.00) and whose liability obligations to other persons are satisfied in whole or in part by payments made under this Article...."



EXHIBIT

A

City of York
February 21, 2002
Page 2

As mentioned in our telephone conversation, our accountant has reviewed the financial statements provided and confirmed that the net worth of the City of York exceeded fifty million dollars (\$50,000,000) on December 31, 2000. With this in mind, please advise how the City of York would like the files handled. PP&CIGA could handle the claims but would require reimbursement of all expense and loss payments made on their behalf. In the alternative, the files could be transferred over to the City of York to arrange for handling by defense counsel. They would continue to be responsible for their legal expenses, as well as loss payments.

Kindly advise how you would like to handle these cases as soon as possible.

We appreciate your attention to this matter and look forward to hearing from you.

Sincerely,

Lisa A. Pratt

Lisa A. Pratt
Claims Representative

LAP/bj

Any person who knowingly and with intent to defraud any insurance company or other person files an application or claim containing any false, incomplete, or misleading information or conceals for the purpose of misleading information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such persons to civil and criminal penalties, including imprisonment for up to seven years and payment of a fine up to \$15,000.